

ARTICLE APPEARED
Pg. 1 Sec 1CHICAGO TRIBUNE
20 May 1984

Real-life spy tale robbed of an ending

Douglas Frantz

WILLIAM BELL paced the dimly-lit basement hallway of an Austrian hotel, peering nervously over his shoulder until the danger approached and whispered the code: "Are you a friend of Marian's?"

"Yes, I am," Bell replied. The exchange thrust Bell deep into the cloak-and-dagger world of espionage than he had ever imagined. It endangered his life and jeopardized the defense of his country. And it opened a new and serious chapter in one of the most puzzling tales of modern espionage.

The story of William Holding Bell, radar expert turned spy, is replete with the elements of a Hollywood movie. Secret payoffs in gold coins, James Bond gadgets, death threats and intrigue stretching from Chicago and Los Angeles to the back streets of Europe.

But unlike a neatly packaged movie, this real-life spy story has no conclusion, and the good guys didn't carry the day.

Today, 4½ years after Bell's clandestine rendezvous in the

how CIA agents lost Bell on one of his spy trips to Europe, allowing him to pass his most damaging secrets to Polish agents, and whether rivalry between FBI offices in Los Angeles and Chicago led to the disastrously premature arrest of Bell's control agent.

The answers to these questions are destined to remain cloaked in the secrecy that shrouds the murky realm of espionage and the refusal of the CIA and FBI to comment for "national-security reasons."

But government documents obtained by The Tribune shed new light on the case. Coupled with numerous interviews and court files, what emerges is the most complete and enthralling look yet at what FBI Director William Webster has called "a textbook example of espionage."

The story opened in early 1977 when a man named Marian Zacharski stepped off a plane at O'Hare International Airport. Zacharski was a handsome, 25-year-old Polish national who came to Chicago under the guise of working for the Polish American Machinery Co., a firm with headquarters in Elk Grove Village.

POLAMCO, AS the company is known, is owned primarily by Metalexport, a state trading company in Poland. Two years ago a U.S. Senate committee identified Polamco as "the base of operations for a Polish spy network," a charge denied by its president, Stanislaw Ziaja, who said the company engages "only in business activity."

More difficult to deny is the FBI's characterization of Zacharski as a trained officer in the Polish intelligence service.

In late 1977, Zacharski was assigned to head Polamco's branch office in Los Angeles. He moved to a posh apartment complex in Playa Del Rey, a beach community south of Los Angeles that is popular with employees of nearby defense contractors.

U.S. intelligence sources said Zacharski's choice of a place to live was no accident: He was there to befriend and subvert defense workers.

ONE TARGET was William Bell, a radar specialist at the Hughes Aircraft Corp. who had access to the most advanced

weapon systems on the drawing board. Intelligence sources believe that Bell was pinpointed because his financial problems had recently become public when he filed for bankruptcy.

Zacharski quickly struck up a friendship with Bell. At 58, Bell was much older than Zacharski, and he would later explain that the young Pole reminded him of his eldest son from a dissolved marriage.

The friendship grew as the men played tennis together daily and their families, including Bell's young second wife, a Belgian, socialized regularly.

Bell told a federal grand jury in 1981 that he began to provide his new friend with nonclassified material from Hughes, such as the company newsletter and material outlining upcoming bid proposals, in early 1978.

By May the stakes had gone up and Bell was smuggling classified documents from work in return for cash and gold coins.

"IT WAS A long, bit-by-bit thing," Bell later told the grand jury, according to a transcript obtained by The Tribune. "First innocent and semi-innocent and so on. And in the end, I was in financial straits and this offered an opportunity out."

Near the end of 1978, the apartment complex was converted to condominiums. Bell told Zacharski he wanted to buy his apartment but lacked the down payment.

A few days later Bell and Zacharski met in the hall outside Bell's apartment, and the Pole handed over a plain white envelope stuffed with \$5,000 in cash.

The scene was soon repeated. As the two men walked along a pathway in the complex, Bell was given an envelope containing \$7,000.

Bell would not learn until much later that the FBI had identified Zacharski as a spy while he was in Chicago and had kept him under surveillance.

George Bacon, a veteran FBI agent, told a federal grand jury that FBI agents in Chicago had identified "Zacharski and some of his associates as intelligence-officers" early in 1977.

Continued



Convicted spy William Bell

in Innsbruck hotel and 3 years after his arrest and guilty plea, serious questions remain about how the case was handled by the FBI and the CIA.

AMONG THESE questions are

STAT